

Message Text

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ACTION EB-08

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SUBJ: INTERAGENCY TASK FORCE TO DEVELOP A NATIONAL EXPORT
POLICY

REF: STATE 095673

1. FACILITATION OF TRAVEL: WASHINGTON AGENCIES SHOULD
EXPLORE NEW AVENUES TO FACILITATE TRAVEL BY IRANIAN (FOREIGN)
GOVERNMENT OFFICIALS TO THE U.S. IN CONNECTION WITH MAJOR
PROCUREMENT NEEDS. IRANIAN OFFICIALS ARE RELUCTANT TO ACCEPT
COMPANY INVITATIONS TO VISIT THE U.S. LEST THEY LATER BE
CHARGED WITH IMPROPRIETY. THIS RELUCTANCE IS MATCHED BY
THAT OF U.S. GOVERNMENT AGENCIES TO ISSUE OFFICIAL INVITATIONS
LEAST THEY INCUR FINANCIAL AND OTHER RESPONSIBILITIES. ALTHOUGH
IN MOST INSTANCES IRANIAN MINISTRY OR AGENCY INVOLVED IS
WILLING TO PICK UP TRAVEL AND PER DIEM COSTS FOR LEGITIMATE
TRAVEL. IT IS SUGGESTED THAT SOME TYPE OF OFFICIAL "MARKET
SURVEY" INVITATION BE DEVELOPED FOR THE PURPOSE TO OVERCOME
THESE DUAL PROBLEMS WITH IT BEING UNDERSTOOD THAT,
WHILE BUSINESS APPOINTMENTS AND PURCHASING ASSISTANCE
WOULD BE OFFERED, TRAVEL AND RELATED COSTS WOULD BE THE
RESPONSIBILITY OF THE VISITOR. IN IRAN'S CASE COULD NOT
SUCH OFFICIAL INVITATIONS BE ISSUED--POSSIBLY BY BOTH
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SIDES--UNDER THE AEGIS OF THE U.S.-IRAN JOINT COMMISSION
(POSSIBLY BY THE APPROPRIATE AGENCY) OR QUITE LEGITIMATELY
BY THE U.S.-IRAN JOINT BUSINESS COUNCIL?

2. FINANCING: ALTHOUGH SOME PROGRESS HAS BEEN MADE IN
THIS MATTER, CALLABLE-ON-DEMAND BID AND PERFORMANCE BONDS
CONTINUE TO DETER AND/OR HINDER BIDDING BY U.S. COMPANIES

ON MAJOR PROJECTS IN THE REGION. NEW URGENCY SHOULD BE PLACED ON THE NEED FOR OPIC OR EX-IM BANK PROVIDING GUARANTEES TO OBVIATE THE NEED FOR U.S. COMPANIES' LINE-OF-CREDIT BEING TIED UP BY THE REQUIRED STAND-BY LETTERS OF CREDIT.

3. COMPETITIVE FOREIGN GOVERNMENT SUPPORT: JAPAN AND OTHER SURPLUS ACCOUNT EXPORTING NATIONS SHOULD BE PRESSED TO REVIEW THE TYPES OF CONCESSIONAL GOVERNMENT SUPPORT GIVEN TO THEIR COMPANIES IN CLOSE COMPETITION WITH U.S. FIRMS ON MAJOR CONTRACTS WITH IRAN AND OTHER AREAS.

4. PARTICIPATION IN CONSORTIA: CONSIDERATION SHOULD BE GIVEN TO THE MERITS OF A PROGRAM AIMED AT HAVING THE JAPANESE GOVERNMENT URGE JAPANESE FIRMS TO ASSOCIATE U.S. COMPANIES IN LARGE PROJECTS WHERE 100 PERCENT U.S. GROUPS MAY BE RELUCTANT TO BID OR NON-COMPETITIVE IN THE SUM OF ITS VARIOUS COMPONENTS, SOME OF WHICH MAY BE HIGHLY COMPETITIVE WHEN REMOVED FROM TOTAL PACKAGE.

5. OTHER ITEMS: A. TRADE CENTER: FILLS NEED HERE WHERE MARKET ENVIRONMENT ESPECIALLY DIFFICULT. SEE TEHRAN 03754. B. EX-IM BANK FINANCING: WE HARTILY WELCOME EX-IM'S NEW POSITIVE STANCE VIS-A-VIS IRAN. EMBASSY WILL MONITOR CLOSELY INTEREST RATES ON BIDS WON BY NON-U.S. FIRMS AND HOPES EX-IM CAN BE SUFFICIENTLY FLEXIBLE TO MEET ANY DOWNWARD MOVE IN UNCLASSIFIED

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INTEREST RATES ON FINANCING PACKAGES OFFERED BY FOREIGN SUPPLIERS. C. OPIC: EMBASSY HOPES THAT OPIC WILL SOON SEND TO MINISTRY OF FINANCE HERE, THROUGH EMBASSY, NECESSARY LETTER TO OBTAIN GOI'S PERMISSION FOR OPIC COVERAGE OF CONSTRUCTION CONTRACTS. SUCH COVERAGE SHOULD INCREASE NUMBER OF U.S. FIRMS WILLING TO BID ON MAJOR PROJECTS HERE. D. U.S.: IRAN SOCIAL SECURITY BILATERAL: U.S. FIRMS OPERATING IN IRAN, UNLIKE THEIR GERMAN, BRITISH, AND JAPANESE COMPETITORS, ARE REQUIRED TO CONTRIBUTE TO BOTH IRANIAN AND U.S. SOCIAL SECURITY SYSTEMS: THESE HIGH COSTS ARE CUTTING INTO THE COMPETITIVENESS OF U.S. FIRMS. WE NEED A DRAFT AGREEMENT FROM THE DEPARTMENT NOW SO THAT NEGOTIATIONS TO ELIMINATE THIS COST DISADVANTAGE CAN BEGIN. SULLIVAN

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